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Follow-up to the World Summit for Social Development: priority theme: initiation of the overall review of the implementation of the outcome of the Summit

Statement submitted by Pax Romana, a non-governmental organization in special consultative status with the Economic and Social Council

The Secretary-General has received the following statement, which is circulated in accordance with paragraphs 30 and 31 of Economic and Social Council resolution 1996/31 of 25 July 1996.

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A jubilee is described in the Bible as a time to free slaves, return land to its rightful owners, and to forgive debts. Taking into account the heavy external debt of the most impoverished countries, this Jubilee Year 2000 is an appropriate time for a new beginning, an opportunity for more justice and the cancellation of the unpayable external debt of the heavily indebted poor countries.

Catholic social teaching assesses public policy, such as international debt, by the criteria of human dignity and social justice. United Nations data and research suggest that such criteria have economic merit. Low income inequality and human development investments tend to contribute to long-term economic growth *(Human Development Report, 1996)*.

Most heavily indebted poor African countries, according to the *Human Development Report, 1997*, pay more to service their debt than they would need to achieve major progress against malnutrition, preventable disease, illiteracy and child mortality before the year 2000.

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The Asian and Russian financial crises this past year, the volatility in Wall Street markets this past fall, and the natural disaster in Central America have created a context where creditor and debtor nations have a growing common interest in strengthening financial stability and boosting human development by cancelling the debt of the poorest nations.

An effective solution addressing the interests of debtor and creditor, meeting moral criteria and improving long-term economic performance is to cancel the debt of the poorest nations and require that funds currently servicing debt be invested in human development.

Short- and long-term benefits accrue to both debtor and creditor. Debtor nations benefit in the short term because they can alleviate poverty and in the long term because they can create the preconditions for socially sustainable growth. Creditor nations benefit in the short term because money can be redirected from servicing debt to purchasing goods, boosting world demand and stabilizing currencies. They benefit in the long term by creating the conditions for growth in their exports because growing economies can afford to import.

We urge the International Monetary Fund, the World Bank, regional development banks, bilateral agencies and international private banks to recognize their common interest with poor nations by doing the following:

(a) Cancel the unpayable debt by the year 2000;

(b) Improve the Heavily Indebted Poor Country Debt Initiative by providing debt relief before the year 2000, broadening eligibility to include more countries, consulting civil society on conditions for relief and redefining debt sustainability. Debt sustainability should be defined so that countries can not only meet payments, but maintain social infrastructure, basic human needs and productive activities;

(c) Link debt cancellation with investment in human development.

Co-sponsored by Caritas Internationalis, Franciscans International, the International Committee of Catholic Nurses and Medico-Social Assistants and the International Federation of Catholic Medical Associations.